



GRUNDY COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-64
August 26, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

August 1999

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Grundy, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Grundy County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- < The Public Administrator has frequently been late in filing annual settlements and is not adequately monitoring the bank account balances of wards. Numerous concerns existed with the methods of providing allowance payments to wards and documentation pertaining to many disbursements was not adequate or was not retained. The Associate Circuit Judge has removed the Public Administrator as guardian and conservator for one ward and requested additional information regarding some disbursements for other wards. Additionally, reimbursements to the Public Administrator himself were not supported by adequate documentation.
- < The county's overtime and compensatory time policies do not address current practices of the ambulance service, which are inconsistent with overtime determination methods utilized for other county employees. The county may be incurring more in overtime costs than is necessary.
- < Due to the erroneous handling of some property tax transactions by the Trenton Township Collector and the Ex Officio County Collector, the county apparently failed to collect approximately \$4,303 in back taxes.

Also included in the audit are recommendations to improve the accounting controls and procedures for the Prosecuting Attorney, Assessor, Health Center Board, and the Families and Friends of the Developmentally Disabled Board. The audit also suggested improvements be made in the county's budgetary and financial reporting procedures, property tax system controls, and other payroll and salary commission procedures and documentation.

Copies of the audit are available upon request.

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Grundy County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Grundy County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

Except as discussed in the fourth paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Grundy County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Grundy County.

Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, requires disclosure of certain matters regarding the year 2000 issue. Grundy County has included such disclosures in Note 4. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the county's disclosures with respect to the year 2000 issue made in Note 4. Further, we do not provide assurance that the county is or will become year

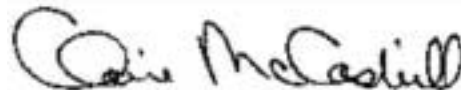
2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Grundy County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 6, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Grundy County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

April 6, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Grundy County, Missouri

We have audited the special-purpose financial statements of various funds of Grundy County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated April 6, 1999. That report expressed a qualified opinion on the special-purpose financial statements. Except as discussed in that report, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

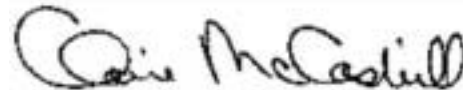
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Grundy County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Grundy County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of Grundy County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

April 6, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

GRUNDY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 735,279	909,823	899,485	745,617
Special Road and Bridge	197,804	655,088	596,281	256,611
Assessment	5,060	113,670	118,151	579
Law Enforcement Training	4,294	4,261	4,464	4,091
Prosecuting Attorney Training	3,112	865	681	3,296
Ambulance	184,113	494,389	445,491	233,011
Recorder's User Fees	11,670	4,898	1,259	15,309
Prosecuting Attorney Bad Check	7,306	11,692	11,436	7,562
9-1-1	37,938	91,933	72,969	56,902
Victims of Domestic Violence	1,194	494	1,229	459
Health Center	241,715	355,902	320,256	277,361
Families & Friends of the Developmentally Disabled	146,126	83,707	78,052	151,781
Circuit Clerk Interest	2,358	1,880	1,231	3,007
Associate Division Interest	1,090	435	999	526
Law Library	8,160	5,864	5,900	8,124
Child Care	5,881	8,514	5,793	8,602
Private Tutoring	2,760	1,138	1,737	2,161
Project Mentoring	110	40,856	40,696	270
Prosecuting Attorney Delinquent Tax	2,695	400	0	3,095
Drug Awareness and Resistance Education	468	636	622	482
Expendable Trusts	212,307	18,257	10,078	220,486
Local Emergency Planning Committee	5,799	2,804	865	7,738
Division of Youth Services Intensive Probation	0	39,606	39,606	0
St. Luke's Grant	1,127	3,750	4,877	0
Law Enforcement Block Grant	0	7,890	7,890	0
Total	\$ 1,818,366	2,858,752	2,670,048	2,007,070

The accompanying Notes to the Financial Statements are an integral part of this statement.

GRUNDY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1997

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 595,576	967,584	827,881	735,279
Special Road and Bridge	242,774	733,902	778,872	197,804
Assessment	57	125,057	120,054	5,060
Law Enforcement Training	1,273	7,955	4,934	4,294
Prosecuting Attorney Training	3,493	1,099	1,480	3,112
Ambulance	254,047	534,347	604,281	184,113
Recorder's User Fees	9,646	4,241	2,217	11,670
Prosecuting Attorney Bad Check	5,954	11,545	10,193	7,306
9-1-1	108,344	90,620	161,026	37,938
Victims of Domestic Violence	683	511	0	1,194
Health Center	220,855	344,706	323,846	241,715
Families & Friends of the Developmentally Disabled	125,253	77,020	56,147	146,126
Circuit Clerk Interest	2,806	908	1,356	2,358
Associate Division Interest	588	502	0	1,090
Law Library	4,527	3,703	70	8,160
Child Care	4,987	4,896	4,002	5,881
Private Tutoring	2,553	1,067	860	2,760
Project Mentoring	0	33,458	33,348	110
Prosecuting Attorney Delinquent Tax	2,299	420	24	2,695
Drug Awareness and Resistance Education	-84	762	210	468
Expendable Trusts	215,945	23,187	26,825	212,307
Local Emergency Planning Committee	3,591	3,496	1,288	5,799
Division of Youth Services Intensive Probation	0	30,848	30,848	0
St. Luke's Grant	0	1,127	0	1,127
Total	\$ 1,805,167	3,002,961	2,989,762	1,818,366

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

GRUNDY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

Year Ended December 31,							
1998				1997			
			Variance Favorable			Variance Favorable	
	Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)	
RECEIPTS							
Property taxes	\$	82,000	74,907	-7,093	61,200	68,219	7,019
Sales taxes		390,000	366,390	-23,610	360,000	390,639	30,639
Intergovernmental		161,262	181,530	20,268	128,850	166,486	37,636
Charges for services		139,000	132,492	-6,508	123,900	125,135	1,235
Interest		28,000	31,943	3,943	22,000	27,882	5,882
Other		36,300	39,322	3,022	34,000	38,432	4,432
Transfers in		83,820	83,239	-581	149,470	150,791	1,321
Total Receipts		920,382	909,823	-10,559	879,420	967,584	88,164
DISBURSEMENTS							
County Commission		46,657	46,739	-82	45,410	44,978	432
County Clerk		73,831	70,657	3,174	74,076	61,925	12,151
Elections		38,752	38,399	353	20,874	25,703	-4,829
Buildings and grounds		56,775	47,147	9,628	41,460	42,697	-1,237
Employee fringe benefits		64,700	66,588	-1,888	59,400	65,163	-5,763
County Treasurer and Ex Officio County Collector		55,383	49,222	6,161	54,329	44,655	9,674
Circuit Clerk and Ex Officio Recorder of Deeds		24,933	26,292	-1,359	22,908	24,390	-1,482
Associate Circuit Court		7,000	4,353	2,647	5,450	4,555	895
Court administration		19,752	34,911	-15,159	12,965	9,767	3,198
Public Administrator		23,632	18,823	4,809	25,332	22,549	2,783
Sheriff		183,188	178,473	4,715	164,824	165,215	-391
Jail		99,438	79,002	20,436	79,784	80,534	-750
Prosecuting Attorney		55,021	52,458	2,563	52,055	51,397	658
Juvenile Officer		117,418	107,256	10,162	94,602	95,301	-699
County Coroner		7,350	7,305	45	8,100	6,300	1,800
Other		58,250	53,760	4,490	57,146	50,816	6,330
Transfers out		31,592	18,100	13,492	35,914	31,936	3,978
Emergency Fund		27,611	0	27,611	26,384	0	26,384
Total Disbursements		991,283	899,485	91,798	881,013	827,881	53,132
RECEIPTS OVER (UNDER) DISBURSEMENTS							
		-70,901	10,338	81,239	-1,593	139,703	141,296
CASH, JANUARY 1		735,279	735,279	0	595,576	595,576	0
CASH, DECEMBER 31	\$	664,378	745,617	81,239	593,983	735,279	141,296

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

GRUNDY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 38,723	38,724	1	33,750	33,756	6
Intergovernmental	630,824	594,537	-36,287	711,000	682,090	-28,910
Interest	12,000	12,007	7	14,000	10,490	-3,510
Other	1,000	9,820	8,820	3,000	3,426	426
Transfers in	0	0	0	0	4,140	4,140
Total Receipts	682,547	655,088	-27,459	761,750	733,902	-27,848
DISBURSEMENTS						
Salaries	102,014	102,014	0	97,144	97,144	0
Employee fringe benefits	18,000	16,228	1,772	21,000	17,190	3,810
Supplies	24,150	15,085	9,065	24,050	21,078	2,972
Insurance	6,200	5,325	875	6,200	5,253	947
Road and bridge materials	83,020	94,878	-11,858	160,000	177,079	-17,079
Equipment repairs	15,000	21,520	-6,520	10,000	25,147	-15,147
Rentals	500	0	500	500	25	475
Equipment purchases	21,360	16,035	5,325	51,360	50,045	1,315
Construction, repair, and maintenance	456,000	309,072	146,928	467,000	361,471	105,529
Other	6,100	3,835	2,265	6,100	9,542	-3,442
Transfers out	12,870	12,289	581	14,800	14,898	-98
Total Disbursements	745,214	596,281	148,933	858,154	778,872	79,282
RECEIPTS OVER (UNDER) DISBURSEMENTS	-62,667	58,807	121,474	-96,404	-44,970	51,434
CASH, JANUARY 1	197,804	197,804	0	242,774	242,774	0
CASH, DECEMBER 31	\$ 135,137	256,611	121,474	146,370	197,804	51,434

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND

Year Ended December 31,						
1998				1997		
		Variance				Variance
		Favorable				Favorable
		(Unfavorable)				(Unfavorable)
Budget	Actual			Budget	Actual	
RECEIPTS						
Intergovernmental	\$ 103,978	94,608	-9,370	94,452	106,400	11,948
Interest	0	437	437	427	441	14
Other	400	525	125	1,000	816	-184
Transfers in	31,592	18,100	-13,492	33,614	17,400	-16,214
Total Receipts	135,970	113,670	-22,300	129,493	125,057	-4,436
DISBURSEMENTS						
Assessor	135,970	118,151	17,819	129,493	120,054	9,439
Total Disbursements	135,970	118,151	17,819	129,493	120,054	9,439
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-4,481	-4,481	0	5,003	5,003
CASH, JANUARY 1	5,060	5,060	0	57	57	0
CASH, DECEMBER 31	\$ 5,060	579	-4,481	57	5,060	5,003

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 3,900	4,087	187	5,900	3,894	-2,006
Interest	70	174	104	80	61	-19
Other	0	0	0	0	4,000	4,000
Total Receipts	3,970	4,261	291	5,980	7,955	1,975
DISBURSEMENTS						
Sheriff	5,500	4,464	1,036	5,000	4,934	66
Total Disbursements	5,500	4,464	1,036	5,000	4,934	66
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,530	-203	1,327	980	3,021	2,041
CASH, JANUARY 1	4,294	4,294	0	1,273	1,273	0
CASH, DECEMBER 31	\$ 2,764	4,091	1,327	2,253	4,294	2,041

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,000	715	-285	1,800	941	-859
Interest	150	150	0	150	158	8
Total Receipts	1,150	865	-285	1,950	1,099	-851
DISBURSEMENTS						
Prosecuting Attorney	1,395	681	714	2,140	1,480	660
Total Disbursements	1,395	681	714	2,140	1,480	660
RECEIPTS OVER (UNDER) DISBURSEMENTS	-245	184	429	-190	-381	-191
CASH, JANUARY 1	3,112	3,112	0	3,493	3,493	0
CASH, DECEMBER 31	\$ 2,867	3,296	429	3,303	3,112	-191

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
AMBULANCE FUND

		Year Ended December 31,					
		1998			1997		
			Variance			Variance	
			Favorable			Favorable	
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
Sales taxes	\$	390,000	366,222	-23,778	360,000	390,154	30,154
Charges for services		130,000	117,754	-12,246	120,000	132,639	12,639
Interest		8,500	9,630	1,130	5,000	8,856	3,856
Other		3,000	783	-2,217	3,000	2,698	-302
Total Receipts		531,500	494,389	-37,111	488,000	534,347	46,347
DISBURSEMENTS							
Salaries		295,250	278,561	16,689	289,530	276,831	12,699
Office expenditures		12,300	10,978	1,322	12,150	11,519	631
Equipment		104,500	17,266	87,234	115,750	104,934	10,816
Mileage and training		20,000	11,672	8,328	19,500	18,146	1,354
Employee fringe benefits		55,700	47,751	7,949	59,700	48,994	10,706
Other		48,000	8,313	39,687	0	9,187	-9,187
Transfers out		70,950	70,950	0	134,670	134,670	0
Total Disbursements		606,700	445,491	161,209	631,300	604,281	27,019
RECEIPTS OVER (UNDER) DISBURSEMENTS		-75,200	48,898	124,098	-143,300	-69,934	73,366
CASH, JANUARY 1		184,113	184,113	0	254,047	254,047	0
CASH, DECEMBER 31		\$ 108,913	233,011	124,098	110,747	184,113	73,366

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER'S USER FEES FUND

		Year Ended December 31,					
		1998			1997		
			Variance Favorable			Variance Favorable	
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
Charges for services	\$	3,900	4,312	412	3,600	3,774	174
Interest		0	586	586	250	467	217
Total Receipts		3,900	4,898	998	3,850	4,241	391
DISBURSEMENTS							
Ex Officio Recorder of Deeds		2,960	1,259	1,701	2,460	2,217	243
Total Disbursements		2,960	1,259	1,701	2,460	2,217	243
RECEIPTS OVER (UNDER) DISBURSEMENTS							
		940	3,639	2,699	1,390	2,024	634
CASH, JANUARY 1		11,670	11,670	0	9,646	9,646	0
CASH, DECEMBER 31	\$	12,610	15,309	2,699	11,036	11,670	634

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY BAD CHECK FUND

		Year Ended December 31,					
		1998			1997		
		Variance			Variance		
		Favorable			Favorable		
		(Unfavorable)			(Unfavorable)		
		Budget	Actual		Budget	Actual	
RECEIPTS							
Charges for services	\$	10,250	11,375	1,125	10,000	11,229	1,229
Interest		250	317	67	250	316	66
Total Receipts		10,500	11,692	1,192	10,250	11,545	1,295
DISBURSEMENTS							
Salaries		9,000	9,690	-690	9,000	9,487	-487
Other		250	746	-496	750	206	544
Transfer out		1,000	1,000	0	500	500	0
Total Disbursements		10,250	11,436	-1,186	10,250	10,193	57
RECEIPTS OVER (UNDER) DISBURSEMENTS		250	256	6	0	1,352	1,352
CASH, JANUARY 1		7,306	7,306	0	5,954	5,954	0
CASH, DECEMBER 31	\$	7,556	7,562	6	5,954	7,306	1,352

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

GRUNDY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 9-1-1 FUND

		Year Ended December 31,					
		1998			1997		
			Variance			Variance	
			Favorable			Favorable	
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
9-1-1 Phone Tax	\$	90,100	89,480	-620	85,000	87,982	2,982
Interest		2,500	2,047	-453	3,500	2,608	-892
Other		0	406	406	0	30	30
Total Receipts		92,600	91,933	-667	88,500	90,620	2,120
DISBURSEMENTS							
Salaries		22,000	24,220	-2,220	17,000	21,744	-4,744
Supplies		24,000	1,281	22,719	1,400	29,603	-28,203
Equipment and repairs		8,050	27,464	-19,414	96,500	94,374	2,126
Debt service		13,950	13,950	0	13,950	13,950	0
Other		0	6,054	-6,054	0	1,355	-1,355
Total Disbursements		68,000	72,969	-4,969	128,850	161,026	-32,176
RECEIPTS OVER (UNDER) DISBURSEMENTS		24,600	18,964	-5,636	-40,350	-70,406	-30,056
CASH, JANUARY 1		37,938	37,938	0	108,344	108,344	0
CASH, DECEMBER 31		\$ 62,538	56,902	-5,636	67,994	37,938	-30,056

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
VICTIMS OF DOMESTIC VIOLENCE FUND

		Year Ended December 31,					
		1998			1997		
			Variance Favorable			Variance Favorable	
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
Charges for services	\$	500	475	-25	500	471	-29
Interest		30	19	-11	20	40	20
Total Receipts		530	494	-36	520	511	-9
DISBURSEMENTS							
Other		1,500	1,229	271	1,000	0	1,000
Total Disbursements		1,500	1,229	271	1,000	0	1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS		-970	-735	235	-480	511	991
CASH, JANUARY 1		1,194	1,194	0	683	683	0
CASH, DECEMBER 31		\$ 224	459	235	203	1,194	991

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
HEALTH CENTER FUND

Year Ended December 31,						
1998			1997			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 106,000	110,494	4,494	100,000	106,651	6,651
Intergovernmental	188,656	195,534	6,878	209,235	204,161	-5,074
Charges for services	29,700	31,142	1,442	6,000	18,344	12,344
Interest	11,000	12,494	1,494	10,000	11,427	1,427
Other	8,500	6,238	-2,262	17,565	4,123	-13,442
Total Receipts	343,856	355,902	12,046	342,800	344,706	1,906
DISBURSEMENTS						
Salaries	258,080	264,663	-6,583	244,830	254,384	-9,554
Supplies	8,400	9,002	-602	0	12,420	-12,420
Equipment	16,000	6,367	9,633	3,485	18,629	-15,144
Mileage and training	7,650	7,790	-140	11,650	8,918	2,732
Insurance	5,900	5,802	98	6,515	6,664	-149
Utilities	7,815	6,737	1,078	9,020	7,090	1,930
Other	14,475	19,895	-5,420	19,427	15,741	3,686
Total Disbursements	318,320	320,256	-1,936	294,927	323,846	-28,919
RECEIPTS OVER (UNDER) DISBURSEMENTS	25,536	35,646	10,110	47,873	20,860	-27,013
CASH, JANUARY 1	241,715	241,715	0	220,855	220,855	0
CASH, DECEMBER 31	\$ 267,251	277,361	10,110	268,728	241,715	-27,013

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

GRUNDY COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 FAMILIES AND FRIENDS OF THE DEVELOPMENTALLY DISABLED FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 68,400	76,220	7,820	60,000	70,458	10,458
Intergovernmental	120	120	0	0	110	110
Interest	5,000	5,781	781	3,500	6,135	2,635
Other	300	1,586	1,286	220	317	97
Total Receipts	73,820	83,707	9,887	63,720	77,020	13,300
DISBURSEMENTS						
Board expenses	26,858	28,619	-1,761	19,767	22,387	-2,620
Service Programs	69,063	49,433	19,630	46,035	33,760	12,275
Total Disbursements	95,921	78,052	17,869	65,802	56,147	9,655
RECEIPTS OVER (UNDER) DISBURSEMENTS	-22,101	5,655	27,756	-2,082	20,873	22,955
CASH, JANUARY 1	146,126	146,126	0	125,253	125,253	0
CASH, DECEMBER 31	\$ 124,025	151,781	27,756	123,171	146,126	22,955

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

GRUNDY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

DRUG AWARENESS AND RESISTANCE EDUCATION FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$	40	26
Other		600	610
Total Receipts		640	636
DISBURSEMENTS			
Supplies		800	622
Total Disbursements		800	622
RECEIPTS OVER (UNDER) DISBURSEMENTS		-160	14
CASH, JANUARY 1		468	468
CASH, DECEMBER 31	\$	308	482

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

GRUNDY COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL

LOCAL EMERGENCY PLANNING COMMITTEE FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Interest	\$	320	255
Other		3,300	2,549
Total Receipts		3,620	2,804
DISBURSEMENTS			
Supplies		200	486
Equipment		1,400	339
Training		1,700	40
Total Disbursements		3,300	865
RECEIPTS OVER (UNDER) DISBURSEMENTS		320	1,939
CASH, JANUARY 1		5,799	5,799
CASH, DECEMBER 31	\$	6,119	7,738

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

GRUNDY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Grundy County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, or the Families and Friends of the Developmentally Disabled Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Circuit Clerk Interest Fund	1998 and 1997
Associate Division Interest Fund	1998 and 1997
Law Library Fund	1998 and 1997
Child Care Fund	1998 and 1997
Private Tutoring Fund	1998 and 1997
Project Mentoring Fund	1998 and 1997
Drug Awareness and Resistance Education fund	1997
Local Emergency Planning Committee Fund	1997

Division of Youth Services Intensive	
Probation Fund	1998 and 1997
St. Lukes Grant Fund	1998 and 1997
Law Enforcement Block Grant Fund	1998

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Bad Check Fund	1998
9-1-1 Fund	1998 and 1997
Health Center Fund	1998 and 1997

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Health Center Fund	1998 and 1997
Families and Friends of the Developmentally Disabled Fund	1998 and 1997
Circuit Clerk Interest Fund	1998 and 1997
Associate Division Interest Fund	1998 and 1997
Law Library Fund	1998 and 1997

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

The deposits of the Health Center Board at December 31, 1998 and 1997, were entirely covered by federal depositary insurance.

The deposits of the Families and Friends of the Developmentally Disabled Board at December 31, 1998 and 1997, were entirely covered by federal depositary insurance.

3. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$147,299 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$82,026. As of December 31, 1998, \$30,762 remains to be paid.

4. Year 2000 Issue

Grundy County has projected, planned for, and budgeted for changes in our computer system to ensure year 2000 compliance dating back to 1997. The hardware for the property assessment, tax collection, fund accounting, and payroll was replaced in 1998. The old system was in need of replacement regardless of year 2000 considerations. Two personal computers that are used as work stations which were not replaced have been tested and modified as necessary for year 2000 compliance. Our software vendor has provided written assurance that the software currently used has been revised or is scheduled to be revised to allow for all known Year 2000 issues. These revisions are covered by our software maintenance agreement at no additional charge.

Supplementary Schedule

Schedule

GRUNDY COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
	Passed through state:			
	Department of Health -			
10.6	Special Supplemental Nutrition Program for Women, Infants, and Children	ER00458137	\$ 34,988	36,739
U.S. DEPARTMENT OF DEFENSE				
	Passed through state:			
12.unknown	Department of Public Safety - Surplus property	N/A	652	6,772
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	Passed through state:			
	Department of Social Services -			
14.2	Emergency Shelter Grants Program	ER01640166	5,000	5,000
U.S. DEPARTMENT OF JUSTICE				
	Direct programs:			
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	0	1,256
	Passed through:			
	State Department of Public Safety -			
16.6	Local Law Enforcement Block Grants Program	97-LBG-037	6,859	0
	Missouri Sheriffs' Association -			
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,244	2,071
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state Highway and			
	Transportation Commission -			
20.2	Off-System Bridge Replacement and Rehabilitation Program	BRO-040(14)	0	159,336
		BRO-040(16)	114,826	15,290
		BRO-040(17)	15,349	0
	Program Total		130,175	174,626
	Department of Public Safety -			
	State and Community Highway			
20.6	Safety Program-Speed Enforcement Grant	97-PT-02-57	0	1,673

GENERAL SERVICES ADMINISTRATION

Passed through state Office of Administration -

39.0	Donation of Federal Surplus Personal Property	N/A	4,134	2,902
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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Passed through state:

	Department of Social Services -			
93.6	Homeless Challenge Program Grant	N/A	12,766	12,766
93.3	Department of Health - Immunization Grants	N/A	5,190	5,310
	Department of Social Services -			
93.6	Child Support Enforcement	N/A	2,314	0
93.7	Social Services Block Grant	ERO172022	19,811	2,234
		ERO172023	18,411	2,472
	Program Total		<u>38,222</u>	<u>4,706</u>
	Department of Health -			
94.0	Preventive Health and Health Services Block Grant	AOC8000073	27,611	34,000
94.0	Maternal and Child Health Services			
	Block Grant to the States	ERO01467139	14,350	17,792
	Total Expenditures of Federal Awards		<u>\$ 283,505</u>	<u>305,613</u>

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

GRUNDY COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Grundy County, Missouri, except for the programs accounted for in the Grundy County Public Housing Agency Fund. Federal awards for that fund have been audited and separately reported on by other independent auditors for its years ended September 30, 1998 and 1997.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property Program (CFDA number 39.003) and U.S. Department of Defense Surplus Property (CFDA number 12.unknown) represent the estimated fair market value of property at the time of receipt.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided federal awards to subrecipients as follows:

<u>Federal CFDA Number</u>	<u>Program Title</u>	<u>Amount Provided</u> <u>Year Ended December 31,</u>	
		<u>1998</u>	<u>1997</u>
14.231	Emergency Shelter Grants Programs	5,000	5,000
93.569	Homeless Challenge Grant Program	12,766	12,766

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Grundy County, Missouri

Compliance

We have audited the compliance of Grundy County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1998 and 1997. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

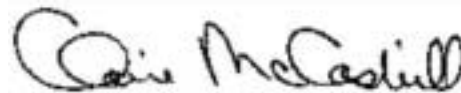
In our opinion, Grundy County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 1998 and 1997.

Internal Control Over Compliance

The management of Grundy County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Grundy County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

April 6, 1999 (fieldwork completion date)

Schedule

GRUNDY COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1998 AND 1997

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness identified? _____ yes X no

Reportable condition identified that is
not considered to be a material weakness? _____ yes X none reported

Noncompliance material to the financial statements
noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness identified? _____ yes X no

Reportable condition identified that is
not considered to be a material weakness ? _____ yes X none reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? _____ yes X no

Identification of major programs:

CFDA or Other Identifying Number	Program Title
20.205	Off-System Bridge Replacement and Rehabilitation Program

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

GRUNDY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

GRUNDY COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Current Findings

GRUNDY COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S CURRENT FINDINGS

We have audited the special-purpose financial statements of various funds of Grundy County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated April 6, 1999. That report expressed a qualified opinion on the special-purpose financial statements. We also have audited the compliance of Grundy County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1998 and 1997, and have issued our report thereon dated April 6, 1999.

We also have reviewed the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this review were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Because the Grundy County Public Housing Agency is audited and separately reported on by other independent auditors, the related fund is not presented in the special-purpose financial statements. However, we reviewed that audit report and the substantiating working papers for the years ended September 30, 1998 and 1997.

Our review was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our review of the elected county officials referred to above. In addition, this report includes findings other than

those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Grundy County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Budgetary Practices and Published Financial Statements
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- A. Budgets were not prepared for some county funds for the years ended December 31, 1998 and 1997. While some of these particular funds are not under the direct control of the County Commission, budgets for these funds are needed to comply with statutory provisions.

Chapter 50, RSMo 1994, requires preparation of annual budgets for all county funds to present a complete financial plan for the ensuing year. By preparing and obtaining budgets for all county funds and activities, the County Commission is able to more effectively evaluate all county financial resources.

- B. Actual expenditures exceeded budgeted amounts for the Prosecuting Attorney Bad Check Fund for the year ended December 31, 1998, by \$1,186, and the 9-1-1 Fund for the years ended December 31, 1998 and 1997, by \$4,969 and \$32,176, respectively. Budget progress reports are generated periodically and provided to the various county officials. However, it appears the county's procedures and reports are not resulting in effective monitoring of some budgets.

It was ruled in State ex rel. Strong V. Cribb 364 Mo. 1122, 273 SW2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo Cumulative. Supp. 1998, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

- C. The annual published financial statements of the county did not include the financial activity of some county funds as required. Section 50.800, RSMo 1994, provides that financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.

Similar conditions were noted in our prior audit report.
WE AGAIN RECOMMEND the County Commission:

- A. Prepare and/or obtain budgets for all county funds as required by state law.
- B. Keep expenditures within the budgetary limits. If necessary, extenuating circumstances should be fully documented and budgets properly revised and filed with the State Auditor's office.
- C. Ensure financial information for all county funds is properly reported in the published financial statements.

AUDITEE'S RESPONSE

- A. *We will ask other officials for budgets for funds controlled by them and maintain documentation of these requests in our meeting minutes.*
- B. *We will monitor the budgets more closely and attempt to comply with this recommendation.*
- C. *We will request the necessary financial information from other departments and publish the information obtained.*

2. Personnel Policies and Public Administrator's Compensation
--

- A. The county's overtime and compensatory time policies do not address current practices of the ambulance service. While there is a policy that was adopted in 1992, the county indicated it is no longer in effect. However, no new written policies and procedures specific to the ambulance service have been established. Because the ambulance service practices differ from other county departments and ambulance service employees incur significant pager pay and overtime costs, it is imperative that written policies addressing work schedules, on-call time, and overtime and the related compensatory time or pay be in place.

Employees of the ambulance department alternate regular work weeks of 36 hours and 48 hours. The county normally pays the employees for eight hours of overtime at the time and one-half rate for the hours in excess of 40 hours during the 48-hour work week. The employees receive this overtime compensation even when absent due to illness or vacation during the 48-hour work week. The county's practice is inconsistent with overtime determination methods utilized for other county employees. As a result, the county is incurring more in overtime costs than may be necessary and is allowing inconsistent treatment of employees.

The written personnel policies of the county should address whether sick or vacation leave by ambulance employees is to be considered when determining overtime

worked. Complete and detailed written policies are necessary to provide guidance to county employees and provide a basis for proper compensation. In addition, such policies should be uniformly applied to ensure each employee is treated equitably and that similar situations are handled consistently.

- B. The Sheriff submits a monthly payroll sheet to the County Clerk showing each employee's monthly salary and any overtime to be paid. Payroll checks are prepared based upon this record. Detailed timesheets are subsequently prepared by Sheriff's department employees and submitted to the County Clerk. We noted some discrepancies between overtime hours reflected on the payroll sheet and the corresponding timesheet. Because the monthly payroll sheet and subsequent timesheets are not reviewed and compared, such discrepancies cannot be detected by the county and could not be explained by the Sheriff. The County Clerk and Sheriff need to implement a procedure to compare payroll sheet information to detailed timesheet information. Any discrepancies should be resolved and payroll adjusted as necessary.
- C. The Grundy County Salary Commission has the statutory authority to set salaries of the county's elected officials. County officials' salaries are based upon the county's assessed valuation, population, training attendance, or a combination of these factors. During the 1995 and 1997 meetings, the salary commission set the salaries of the county officials at 100 percent of the maximum allowable compensation effective at the beginning of each official's next term.

Section 473.739, RSMo provides for public administrators to receive annual compensation of \$4,000 if they do not receive at least \$25,000 in fees. In addition, the salary commission has the authority to award up to \$10,000 additional salary. At the November 1995 meeting the salary commission authorized an additional increase in annual compensation of \$6,000 for the Public Administrator, bringing his total annual compensation (excluding fees) to \$10,000. This salary took effect with the Public Administrator's term of office beginning in 1997. At the first November 1997 salary commission meeting questions came up regarding the Public Administrator's salary. The salary commission reconvened for a second November 1997 meeting and the meeting minutes indicated the Public Administrator's maximum salary was clarified to be \$14,000. The Public Administrator's salary was revised. November and December 1997 payments were increased so that he received the \$14,000 for 1997. No written legal opinion was obtained to support the appropriateness of the change in the Public Administrator's salary and the salary commission documentation regarding why this decision was made is inadequate.

The County Commission should review this situation with the Prosecuting Attorney and ensure all future salary commission decisions are thoroughly documented.

WE RECOMMEND the County Commission:

- A. Establish a formal written policy regarding overtime of ambulance department employees.
- B. Work with the County Clerk and Sheriff to implement procedures to compare various payroll records and ensure the accuracy of overtime payments.
- C. Consult with the Prosecuting Attorney regarding the propriety of the Public Administrator's salary. Salary Commission minutes should clearly document all decisions made, include calculations of the salary amounts, and include written opinions from the Prosecuting Attorney as applicable.

AUDITEE'S RESPONSE

- A. *The County Commission provided the following response:*

We have already changed some procedures and a new formal policy will be developed to cover these issues.

- B. *The County Commission provided the following response:*

This recommendation has been implemented.

The Sheriff provided the following response:

Employees have been reminded of the importance of preparing complete and accurate timesheets, and I hope this action will rectify the situation.

- C. *The County Commission provided the following response:*

We discussed this situation with the Prosecuting Attorney at the time and obtained his advice, but did not receive a written opinion. We do not plan to pursue this particular issue further. Documentation of future Salary Commission meetings and decisions will be improved.

The Public Administrator provided the following response:

The Salary Commission voted to give 100 percent salaries in its first November 1997 meeting. This was interpreted by the Prosecuting Attorney to mean the Public Administrator's salary should be \$14,000 at the subsequent Salary Commission meeting. Then, and only then, did the Salary Commission make the clarification decision.

3.	Property Tax System and Computer Controls
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The property tax computer system utilized by the county is linked to the County Clerk's office, the Ex Officio Collector's (EOC) office, and the Assessor's office.

- A. Addition and abatement court orders are prepared by the County Clerk's office (based upon information from the Assessor) and approved by the County Commission. Change forms are prepared from the court order information and provided to the Ex Officio Collector's office. Changes to the computerized property tax system for additions and abatements are to be made by the County Clerk's office. In the event the County Clerk's office is unavailable to make these changes, the EOC makes the changes in the computer system. Her password does not restrict her ability to change data in the computer system. There is no independent and subsequent comparison of approved court-ordered additions and abatements to actual changes to the property tax data or to amounts reflected on the EOC's annual settlement. The EOC's ability to make these changes, together with the lack of review by the County Clerk and County Commission, significantly weakens controls over the collection of taxes.

Section 137.260 RSMo 1994, requires that the tax book only be changed by the clerk of the county commission under order of the County Commission.

One method to accomplish this independent and subsequent review would be to generate periodic reports of changes to property tax files, which include transactions such as court-ordered additions and abatements. These reports would provide documentation and allow independent review of changes made. Such changes could be reviewed for possible irregularities and trends and to verify the accuracy, validity, and completeness of any changes made to property tax accounts. The county's computer system has the capabilities to generate these change reports; however, such reports are not being generated and reviewed.

- B. Passwords are used, but are not changed on a periodic basis to ensure confidentiality. As a result, there is less assurance that passwords effectively limit access to the property tax data files and programs to only those individuals who need access for completion of job responsibilities. Passwords should be unique, changed periodically to reduce the possibility of unauthorized users, and utilized to restrict individuals' access to only those data files and programs they need to accomplish their jobs.

Similar conditions were noted in our previous two reports.

WE RECOMMEND the County Commission:

- A. Establish controls so that the EOC does not enter abatements or additions into the property tax system or ensure that independent, subsequent comparison of these changes to court orders is performed. Consideration should be given to generating periodic reports of changes to files and requiring independent reviews of the reports to be performed and documented.
- B. Ensure that passwords are changed periodically.

AUDITEE'S RESPONSE

- A. *This recommendation will be implemented.*
- B. *We believe current procedures are adequate to protect data files and programs. However, we will continue to monitor this area and, if it is determined that changes would be beneficial, then changes will be made.*

4. Tax Increment Financing and Property Tax Collections
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- A. In 1997, the county entered into a Tax Increment Financing Agreement (TIF) with the city of Trenton. The Trenton Township Collector withholds collection and assessment fees from the payments in lieu of taxes (PILOT) related to the municipal tax increment financing project. There was no specific mention in the contract whether such assessment and collection fees could be retained. In addition, whether public officials may take commissions on PILOTs is not clearly addressed by state law. Commissions totaling approximately \$490 were retained by the township collector for the two years ended February 28, 1999. Assessment fees totaling \$311 were withheld and paid into the county Assessment Fund for the year ended February 28, 1999.
- B. In December 1997, a local bank made a \$4,303 payment to the Trenton Township Collector for taxes on real estate owned by the bank. This payment was erroneously applied to several other properties owned by one taxpayer, but not the bank or its mortgagors. The total current property tax liability of these properties was \$2,265. After contacting the Ex Officio County Collector (EOC) and determining there were also delinquent taxes due on these properties, the Trenton Township Collector transmitted the remaining \$2,038 to the EOC for application to those delinquencies. The EOC marked those properties paid without requiring tax statement copies or contacting the bank to clarify the situation. The properties to which the tax payments were erroneously applied sold in April 1998. In July 1998 the EOC sent a delinquent tax notice to the local bank regarding the original \$4,303 tax statement liability since this property showed as unpaid on the tax books. In response, the bank notified the EOC of the error and later (September 1998) notified the county Prosecuting Attorney in writing of the situation and that it expected corrective action on the part of the county. The local bank has since paid its 1998 property taxes on the abovementioned property. The 1997 real estate tax continued to be shown as unpaid in the county's back tax records until June 15, 1999, when the County Commission authorized the abatement of this tax liability.

According to the EOC, the misapplication of the \$4,303 payment in December 1997 has resulted in some political subdivisions being over or under paid. However, due to the erroneous handling of these transactions and the change in ownership of properties incorrectly shown as paid, the county apparently failed to collect

approximately \$4,303 in back taxes, which are due to the various political subdivisions levying taxes within the Trenton Township. In addition, because of the erroneous handling of these transactions, the sale of the properties, and the various parties involved, it appears the county's actions to resolve this situation may not be satisfactory and various legal questions may exist.

WE RECOMMEND the County Commission:

- A. Review the practice of retaining fees on the collection of PILOT monies with the County Prosecuting Attorney to ensure monies are being properly distributed to the TIF project fund.
- B. Work with the Ex Officio County Collector, the Prosecuting Attorney, and the Trenton Township Collector to resolve any legal questions regarding this issue. In the future, the Ex Officio County Collector should not accept monies and show properties as paid without first obtaining the proper paperwork and resolving any questions.

AUDITEE'S RESPONSE

- A. *The County Commission provided the following response:*

We will review this with the Prosecuting Attorney and make changes if necessary.

- B. *The County Commission provided the following response:*

Based on the information available at the time, we believe the appropriate decision was made. We do not plan to reconsider this decision.

The Ex Officio County Collector provided the following response:

The Township Collector's assistant called me about the back taxes and told me who the payment was from. Based on this information I marked the related properties as paid and mailed paid tax receipt copies to the entity I had been told the payment was from. I had no way of knowing the payment was from the bank. The bank did not get the proper paid tax receipt copies back for their payment. Had they realized this and let someone know, the error could have been corrected.

Since this happened the Township Collector has begun putting a notice in the tax bills requesting taxpayers send a tax bill copy along with their payment so the money will be credited to the right property. This was an unusual situation and in the future I will not accept such payments without first obtaining the proper information.

I am sorry for the mistake. If this would have been brought to our attention before April 1998 when the properties were sold, we could have collected these back taxes.

5.**Public Administrator**

The Public Administrator is the court appointed personal representative for wards of the Associate Circuit Division. He is responsible for properly receiving, disbursing, and accounting for the assets of those individuals. During the two years and three months ended March 31, 1999, the Public Administrator filed settlements on 19 cases with total reported receipts and disbursements of approximately \$314,000 and 492,000, respectively.

As discussed in our prior audit report and as noted for the current audit period, the Public Administrator has frequently been late in filing annual settlements and the Associate Circuit Court has not established adequate monitoring procedures or been diligent in its efforts to ensure settlements are filed timely. From our review of the Public Administrator's settlements and the related documentation, it is apparent that supporting documentation or explanation is not available for numerous expenditures. Again, there was no evidence in the case files to indicate satisfactory actions were taken by the Associate Circuit Court in response to insufficient records.

Basic recordkeeping procedures were not performed properly and some transactions were handled using unusual methods. The following concerns with the records and procedures were determined.

- A. For twelve cases, settlement periods ranged from 13 to 31 months. Section 473.540, RSMo 1994, requires settlements to be filed annually. Timely settlements are necessary for the court to properly oversee the administration of these cases and lessen the possibility that errors or misuse of funds could go undetected.

A similar condition was noted in our prior audit report.

- B. Concerns were brought to our attention by the Prosecuting Attorney and Associate Circuit Judge regarding one case in particular. Settlements for this case pertaining to late April 1996 to early February 1999, reflected total receipts and disbursements of approximately \$22,500 and \$58,000, respectively. Our review of these settlements determined numerous and significant procedural and documentation problems.

- 1) The assets (bank accounts) of this ward totaled approximately \$96,000 when the current Public Administrator was appointed as guardian and conservator in January 1993. Disbursements for insurance, medical supplies and treatment, utilities, groceries, and other expenses significantly exceeded interest earnings and the account balances were essentially depleted in September 1997. Since then the ward has received financial support from various public assistance programs. Several bank service charges (totaling

\$119) were incurred as a result of insufficient funds checks written on this ward's account. Penalties were incurred for late payment of the ward's property taxes. Notices from the state Department of Social Services, Division of Family Services reported unused food stamp benefits. While these events themselves did not cause the significant decline in assets, they contributed to an already declining financial trend and were clear indicators of problems that should have been more thoroughly questioned by the court. Had more care been taken by the Public Administrator these unnecessary expenditures might not have been incurred. In addition, assistance benefits totaling approximately \$1,050 might not have been exposed to the risk of loss. It appears the Public Administrator did not properly monitor, control, and document the account balances and transactions of the ward. This declining financial trend should have been addressed by the Associate Circuit Court so that alternatives and opportunities for improved fiscal management could have been implemented.

- 2) The Public Administrator provides a substantial amount of spending money to this ward. In April 1995 the court authorized the Public Administrator to pay \$100 per week to the ward for the purchase of groceries and incidentals. These allowance payments totaled \$15,943 from late April 1996 to early February 1999 and were provided to the ward in various methods and did not always comply with the court order. Allowance payments totaling \$11,216 were provided by a check written directly to the ward. Allowance payments were sometimes made by writing checks to a local grocery store. These checks, which totaled \$3,675, were apparently given to the ward who then used them to purchase merchandise from the grocery store and retain any change. The Public Administrator said he requested the ward provide him with the related receipt; however, we noted several instances where these were not available in the records. While these allowance payments were usually made approximately every week, the amounts varied from about \$25 to \$175.

The Public Administrator frequently purchased cigarettes for the ward at two local convenience stores. A review of these checks indicated they were often written for \$10 to \$20 more than the price of the cigarettes. The Public Administrator explained that the cigarettes and any change from the purchase were then given to the ward. However, there was no signed receipt from the ward or other evidence to support the cash given to the ward. Additionally, paid receipts from the merchant to support the purchase were not always retained. These disbursements totaled approximately \$1,052.

The \$100 monthly allowance approved by the court in April 1995 was intended to cover the ward's costs related to groceries and incidental expenses. If the Public Administrator believed an increased spending

allowance was needed, he should have sought the approval of the court prior to making any additional disbursements.

- 3) Checks totaling \$274 were written to a local restaurant for meals for the ward and his family members. These checks were not supported by any paid receipts and did not appear to be written for the exact meal cost.

Documentation should be retained for all support transactions made on behalf of the ward to provide assurance that assets of the wards have been used appropriately. Allowances for the wards should be made in accordance with the court order and by check payable directly to the ward and should be signed for by the ward to better ensure proper accountability of estate assets. The Public Administrator's methods do not provide adequate supporting documentation or any assurance that monies were utilized by the ward as intended.

- 4) The Public Administrator made reimbursements to himself totaling \$481. He indicated he had made personal cash loans to the ward when monies were not available in the bank account. There was no documentation providing evidence that these loans were actually made. Better estate asset management and communication with the court should make such situations unnecessary.
- 5) The Public Administrator did not always properly prepare bank reconciliations or monitor the account balance of the ward. We noted instances where the bank reconciliation was incomplete or poorly documented. Complete and thorough bank reconciliations are an important aid in monitoring the account balances and ensuring that the bank balances and carrying balances are in agreement. In addition, prompt and adequate reconciliations should help eliminate the occurrence of bank service charges as previously mentioned.

In January 1999 the newly elected Associate Circuit Judge removed the Public Administrator as guardian and conservator for this ward.

- C. Because of the serious problems noted with the previously discussed case, we identified other cases with similar situations (ie., ward living somewhat independently and receiving allowance payments from the Public Administrator), late settlements, and/or significant disbursement amounts. For six more cases we reviewed settlements filed during the two years and three months ended March 31, 1999. Receipts and disbursements reflected on these settlements totaled approximately \$129,000 and \$183,000, respectively. Our review of these six cases revealed similar concerns to those noted in part B. and some additional concerns.

The following represent similar transactions to those discussed above:

- Allowance payments and payments to wards for other expenses (ie., trips taken, shopping, etc.) totaled \$27,596. There was no evidence in some of

these case files that the periodic allowance amounts were approved by the court. For those cases where there was a court order authorizing the allowance amount and frequency, the amounts paid to the wards often varied from one payment to the next and did not always comply with the court's order. Several instances were noted where the Public Administrator endorsed and cashed the checks to wards and indicated he provided the cash to them. There was no receipt signed by the ward or other evidence to support the cash given to the ward.

- We noted numerous checks written to local convenience stores, a local restaurant, and a local grocery store. For many of these the settlement provided little or no description of the purpose of the disbursements and there was no supporting documentation. In addition, many of the checks were written for more than the cost of the merchandise. According to the Public Administrator the merchandise and cash were provided to the ward; however, there was no documentation to verify this. These disbursements totaled \$2,078.
- The Public Administrator made reimbursements to himself totaling \$340. He indicated he had made personal cash loans to the ward when monies were not available in the bank account. There was no documentation providing evidence that these loans were actually made.
- We noted numerous bank service charges totaling \$176.

In addition, for one case reviewed the ward received checks totaling \$5,520 for work he performed at a mental health facility. The Public Administrator received cash back totaling \$954 from the deposit of these checks. The settlement description indicated these cash amounts were obtained for the ward. However, there was no documentation to verify this handling.

The court has requested additional documentation to support some disbursements reported by the Public Administrator on settlements filed in March 1999 and has not yet approved the settlements.

Given the significant concerns and weaknesses noted in the Public Administrator's procedures, the Associate Circuit Division should continue to carefully review all future settlements and request additional documentation or explanation when necessary. Procedures for providing periodic allowance payments to wards should be developed and allowance amounts should be re-evaluated and formally established by the court. In addition, the Associate Circuit Division should require the Public Administrator to write checks for only the amount of the purchase and ensure there is an invoice or paid receipt to accompany all transactions. Obtaining cash back from deposits should be prohibited. The Associate Circuit Division should re-evaluate all questionable transactions and supporting

documentation provided, if any, and make a decision regarding whether to require any reimbursements to wards' by the Public Administrator.

- D. The Public Administrator submits a quarterly mileage reimbursement claim to the county for miles traveled related to wards assigned to him (for example, trips made to a doctor or hospital, to visit a ward living a substantial distance from the county seat, etc.). Our review of these reimbursements indicated that some mileage claims related to cases for which the Public Administrator handles no assets, while others pertained to cases for which the Public Administrator does handle monies. Mileage reimbursements from the county General Revenue Fund to the Public Administrator totaled \$3,076 and \$2,419 for the two years ended December 31, 1998 and 1997, respectively. For the settlements reviewed, we noted no claims made by the Public Administrator for mileage reimbursements. For those cases where the Public Administrator handles assets, it is not clear why these costs are being assessed to the county rather than the specific case to which they pertain.
- E. The Public Administrator is required to report to the county the amount of fees he receives. This information is used by the county to properly meet payroll and Internal Revenue Service reporting requirements and to determine whether he is entitled to the additional salary authorized by Section 473.739, RSMo Cumulative Supp. 1998.

The Public Administrator received fees from the various cases totaling \$4,497 and \$3,182 for the years ended December 31, 1998 and 1997, respectively. However, he only reported fees of \$700 and \$900 to the county for the years ended December 31, 1998 and 1997, respectively. Failure to properly report fees earned to the county, results in the county understating wages on his W-2 and possible violation of various employment tax withholdings and reporting requirements.

While it appears the unreported fees did not affect his additional salary under Section 473.739, RSMo Cumulative Supp. 1998, for the two years ended December 31, 1998, the Public Administrator should ensure all fees received are properly reported to the county.

The Public Administrator has a fiduciary responsibility to ensure all monies and other property of individuals or estates under his administrative control are protected and accounted for properly. It does not appear he is fulfilling this responsibility.

WE RECOMMEND:

- A. The Associate Circuit Judge establish procedures to adequately monitor the timely filing of annual settlements.
- B&C. The Associate Circuit Judge establish formal settlement review procedures and ensure that all problematic transactions are formally followed up on with the Public Administrator. Any requests for documentation should be documented. In addition,

the Associate Circuit Judge needs to formally establish the frequency and amounts of spending monies to be provided to each ward and ensure the Public Administrator is adhering to the court's orders. The Associate Circuit Judge should consider requiring reimbursement by the Public Administrator to the various wards' accounts for any unnecessary costs incurred (such as bank service charges) and/or for any questionable disbursements for which adequate support is not produced for the court.

The Associate Circuit Judge require the Public Administrator:

1. To better monitor wards' assets and bring concerns to the court's attention in a timely manner. In addition, the Public Administrator needs to ensure that public assistance programs are enrolled in when appropriate and that the ward is utilizing them.
 - 2&3. To make allowance payments to the wards in accordance with the court's orders by check payable directly to the ward and obtain signed receipts to document receipt of the monies by the ward. In addition, the court needs to require checks to be written for the amount of purchase only and require adequate documentation (such as paid receipts or invoices) to be filed or made available to support all settlement transactions.
 4. To prepare complete bank reconciliations monthly and monitor the account balances to avoid unnecessary bank charges.
- D. The Associate Circuit Judge work with the Public Administrator and County Commission to reconsider the appropriateness of assessing mileage costs to the county's General Revenue Fund in those cases where a ward's assets are sufficient to bear the costs.
- E. The Public Administrator report all fees received to the County Clerk.

AUDITEE'S RESPONSE

The Associate Circuit Judge provided the following response:

The Grundy County Associate Circuit Judge, shortly after beginning his term on January 1, 1999, reviewed all current and active probate cases with the Probate Clerk. At that time, the court established and implemented policies and procedures to monitor and ensure annual settlements and reports were filed in a timely fashion. Also, at that time, efforts were made to obtain settlements in those files where settlements and/or reports were due or past due.

The court has diligently reviewed and scrutinized each annual settlement filed with the court since January 1, 1999. This procedure, as set forth in the audit report, resulted in the removal of the Grundy County Public Administrator as the guardian/conservator for a particular ward.

The Grundy County Associate Circuit Judge will continue to implement settlement review procedures requiring adequate support and proof that disbursements are appropriate and necessary for the benefit of each particular ward. In addition, the court will consider requiring the reimbursement by the Public Administrator to the various ward's accounts any unnecessary cost incurred to the ward because of questionable disbursements or disbursements without adequate support.

In addition, it is the court's position that all checks for allowances for the wards will be paid directly to the ward and signed by the ward, to ensure that the monies are being utilized for the ward's benefit.

The Public Administrator provided the following responses:

- A. The settlements were indeed slow and I accept responsibility for this. I will make a greater effort in the future to make sure the annual reports are turned in to the attorneys on a more timely basis.*
- B. &*
- C.1. The ward refused to accept the aid from the state and I made the mistake of not making him.*
 - 2. Allowance payments have been discussed with the court; however, written authorization was not always obtained.*
 - 3. Documentation is and will be used for all future disbursements to my wards when they receive direct payments from my office.*
 - 4. Starting in 1998 the court told me what they expected on my bank reconciliations. I am trying to abide by their rules.*
- D. The mileage that I receive for my care of all my wards is put into my annual budget and either approved or disapproved by the County Commission each year. None of the wards that I have to drive out of the county has the funds to support a charge of any kind to them. Their monies should be used exclusively for them and costs I incur in performing my responsibilities should be reimbursed by the county as for other elected officials.*
- E. It is my responsibility to turn fees over to the county. In the future whatever fees I receive will be given to the county for accountability and payroll purposes.*

The County Commissioners provided the following response:

- D. We will confer with the Associate Circuit Judge and Public Administrator and establish a policy to address this issue.*

The Prosecuting Attorney collects bad check and court-ordered restitution monies. For bad check restitution, the Prosecuting Attorney's policy is to require the offender to remit two money orders, one payable to the merchant for restitution and one payable to the County Treasurer for the bad check administrative fee. All bad check payments are to be recorded in a sequential log. If bad check payments are made in cash, or money orders are made payable to the Prosecuting Attorney, these monies are handled through the official bank account. Court-ordered restitution payments are recorded in individual detailed accounts receivable records, in the check register, and handled through the official bank account.

- A. A system to account for all bad checks submitted to the office for collection and their disposition has not been established. To ensure all bad checks are properly handled and accounted for, a log should be maintained showing each bad check and its disposition.
- B.1. Receipt slips are only issued for bad check and/or court-ordered restitution monies when payments are made in cash or when requested by the payor. Receipt slips should be issued for all monies received. The method of payment (cash, check, or money order) and indication of whether the monies were deposited or transmitted directly should be provided on these receipt slips. The numerical sequence of receipt slips should be accounted for and monies deposited and/or transmitted should be reconciled to the corresponding receipt slips.
- 2. Monies received are not always recorded and processed in a timely manner. During a cash count conducted December 22, 1998, we noted that of the money orders on hand totaling \$736, only \$25 had been posted to the bad check payment log. The remaining money orders totaling \$701 were not posted to the bad check payment log until about one week after receipt. The date money orders were recorded rather than the actual date of receipt is documented on the log. An immediate record of receipt which reflects the actual date of receipt is necessary to properly document and account for all monies received. In addition, we noted that deposits are made approximately once a week regardless of the date monies are received. To adequately safeguard monies and reduce the risk of loss or misuse of funds, receipts should be recorded and deposited daily or when accumulated receipts exceed \$100. The receipt records should reflect the actual date monies are received.
- C. An open items listing has not been prepared since the new Prosecuting Attorney took office. The carrying balance of his bank account on February 16, 1999, was \$630. Monthly listings of open items should be prepared and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities.

Conditions similar to A and B were noted in our prior report.

WE RECOMMEND the Prosecuting Attorney:

- A. Establish a system to account for all bad checks submitted to his office and their disposition.
- B.1. Issue receipt slips for all monies received.
- 2. Record and deposit receipts daily or when accumulated receipts exceed \$100.
- C. Prepare a monthly open items listing and reconcile it to the cash balance.

AUDITEE'S RESPONSE

- A. *Each check that is delivered to my office for collection has a "bad check notice" sent to the maker of the check. A record of each notice is in the computer and a list can be printed out from the computer.*
- B.1. *A prenumbered receipt is now being issued on all payments on bad checks and court-ordered restitution.*
- 2. *As payment is received for court-ordered restitution, a stamp endorsement is made on the check or money order. Cash is rarely received, but if cash is received it is deposited daily. Money orders and checks may not be deposited daily due to workload of the secretary and banking hours.*
- C. *An open items list is now being prepared manually each month when the bank statement is reconciled.*

7. Assessor's Accounting Controls and Procedures

The Assessor's Office collects money from the sale of county maps. According to receipt slips issued by the Assessor's office, collections totaled approximately \$465 and \$600 during the years ended December 31, 1998 and 1997, respectively. The Assessor's Office occasionally mails maps to customers when requested and bills for the amounts due. We noted the following weaknesses in controls over these collections.

- A. Receipt slips are not issued for some monies received; receipt slips issued are not always complete regarding method of payment; and some receipt slips could not be located.

To ensure that all monies received are properly accounted for, receipt slips should be issued for all monies received, should include complete information regarding the transaction, and the numerical sequence of receipt slips should be accounted for.

- B. Follow-up on unpaid billings is not routinely conducted. To ensure that monies due are collected, unpaid billings should be periodically reviewed and subsequent billings issued, if necessary.

WE RECOMMEND the County Assessor:

- A. Issue prenumbered receipt slips for all monies received, fully document each transaction, and account for the numerical sequence of all receipt slips.
- B. Follow-up on unpaid billings periodically.

AUDITEE'S RESPONSE

The Grundy County Assessor's office has received your recommendations and taken action on them. We have implemented the changes in our office as outlined and they are now standard practice.

8.	Health Center
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- A. Actual expenditures exceeded budget amounts for the year ended December 31, 1998 and 1997, by \$1,936 and \$28,919, respectively.

It was ruled in State ex rel. Strong V. Cribb 364 Mo. 1122, 273 SW2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo Cumulative Supp. 1998, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

A similar condition was noted in our prior audit report.

- B. The Health Center Board does not issue receipt slips. Rather, monies received are recorded on a ledger by one clerk, then transmitted to another clerk for data entry and depositing. Our review of the ledger indicated it does not always include all transactions. In addition, no reconciliation is performed between the ledger and subsequent deposits. To help ensure that all monies are properly accounted for, prenumbered receipt slips indicating the method of payments received should be issued for all monies received. The numerical sequence of receipt slips should be

accounted for and the composition of receipt slips issued should be reconciled to the composition of bank deposits.

WE RECOMMEND the Health Center Board:

- A. Keep expenditures within the budgetary limits.
- B. Issue prenumbered receipt slips for all monies received.

AUDITEE'S RESPONSE

The Health Department Administrator provided the following responses:

- A. *The Grundy County Health Department will keep expenditures within the budgetary limits. In future situations, amendments to the annual budget will be made when actual expenditures exceed the budgeted amount.*
- B. *The Grundy County Health Department currently provides a monthly breakdown of services provided and monies received in the Quicken system. Further, we have implemented a manual ledger for recording all birth and death certificate numbers issued, which in turn, balances to the Quicken monthly report. I believe this system is sufficient in tracking cash flow. If this process is sufficient, implementation of the prenumbered receipt slips will not be necessary.*

9. Families and Friends of the Developmentally Disabled Board
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The Families and Friends of the Developmentally Disabled (FFDD) Board contracts with a Director to manage its operations. In 1998, the FFDD paid a bonus of \$200 to the Director. There was no indication in the payroll records that this payment was compensation for additional hours worked. This payment represents an additional payment for services previously rendered and, as such, is in violation of Article III, Section 39 (3) of the Missouri Constitution, which prohibits counties from granting extra compensation to an official or employee after service has been rendered.

WE RECOMMEND the Families and Friends of the Developmentally Disabled Board discontinue the practice of paying bonuses to the Director.

AUDITEE'S RESPONSE

The Families and Friends of the Developmentally Disabled Director provided the following response:

It is the intention of Families and Friends of the Developmentally Disabled to comply with the audit recommendation of discontinuing the practice of providing a bonus to the Director.

This report is intended for the information of the management of Grundy County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

GRUNDY COUNTY, MISSOURI FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Grundy County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended December 31, 1996. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. County Expenditure Procedures and Agreements

- A. The county did not always take advantage of purchase discounts offered by vendors.
- B. The County Commission did not always obtain and review supporting documentation for expenditures.
- C. The county did not have a written agreement with the Prosecuting Attorney detailing the manner for sharing the costs of personnel and equipment between the county and the private law practice of the Prosecuting Attorney. Time sheets of employees in the Prosecuting Attorney's office were not submitted to the county.
- D. The county did not have written contracts for mutual aid agreements with volunteer ambulance and rescue units.
- E. The Sheriff did not document his review and approval of time sheets of the employees of the Sheriff's Department.
- F. The county paid bonuses to employees of the Sheriff's Department.

Recommendation:

The County Commission:

- A. Establish procedures to take advantage of purchase discounts when available.
- B. Obtain and review vendor invoices and detailed mileage statements from officeholders before approving payment or reimbursement.
- C. And the Prosecuting Attorney formalize this arrangement and prepare documentation of the allocation of resources between the county and the Prosecuting Attorney's private practice. The Prosecuting Attorney needs to ensure there is a clear distinction between his county and private practice resources and work. Employees should prepare time sheets documenting the amount of time spent on county-related activities and submit the time sheets monthly to the county.
- D. Execute written agreements with the ambulance and rescue units.

- E. Ensure the Sheriff is documenting his approval of employee time sheets.
- F. And the Sheriff discontinue the practice of granting additional payments to employees in the form of bonuses after services have been rendered.

Status:

A,D,
E&F. Implemented.

- B. Partially implemented. The County Commission now obtains and reviews vendor invoices for some types of purchases not previously reviewed, but does not obtain and review some invoices or detailed mileage statements. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Implemented by the new Prosecuting Attorney in January 1999.

2. Budgetary Practices and Published Financial Statements

- A. The county's annual published financial statements presented no information for several county funds.
- B. Formal budgets were not prepared for various county funds.
- C. Actual expenditures exceeded budgeted amounts for some funds.
- D. Budgets prepared by the Families and Friends of the Developmentally Disabled Board were not complete. The board had accumulated a significant cash reserve and did not provide information about plans and goals for the funds in the budget message.

Recommendation:

The County Commission:

- A. Include all county funds in the published financial statements as required by state law.
- B. Prepare and/or obtain budgets for all county funds as required by state law.
- C. And Health Center Board keep expenditures within the budgetary limits. If necessary, extenuating circumstances should be fully documented and budgets properly revised and filed with the State Auditor's Office.

The Families and Friends of the Developmentally Disabled Board:

- D. Prepare a complete budget document. In addition, the board should review its future financial needs and consider its cash balance when setting future tax levies.

Status:

A, B,
& C. Not implemented. See MARs No. 1 and 8.

D. Implemented.

3. Property Tax System and Computer Controls

- A. The Ex Officio Collector made changes to the computerized property tax system for additions and abatements when the County Clerk's Office was unavailable to make the changes. There was no independent and subsequent comparison of approved court-ordered additions and abatements to actual changes to the property tax data or to amounts reflected on the EOC's annual settlement.
- B. Passwords were not unique and/or confidential for each individual using the system and were not changed periodically.

Recommendation:

The County Commission:

- A. Establish controls so that the EOC does not enter abatements or additions into the property tax system or ensure that independent, subsequent comparison of these changes to court orders is performed. Consideration should be given to generating periodic reports of changes to files and requiring independent reviews of the reports to be performed and documented.
- B. Ensure access to specific computer programs/data files is restricted to authorized individuals through passwords. Passwords should be unique to individuals and changed periodically. Investigate with the software vendor the possibility of restricting access to individual functions through unique passwords.

Status:

- A. Not implemented. See MAR No. 3.
- B. Partially implemented. Passwords are now unique for individual users. However, passwords are not always periodically changed. See MAR No. 3.

4. Prosecuting Attorney

- A. A system to account for all bad checks submitted to the office for collection and their disposition had not been established.
- B.1. Receipt slips were not issued for some monies received.
 - 2. Monies received were not always deposited on a timely basis.
 - 3. Some payments were not recorded in the bad check payment log.

- C. No sequential summary record of court-ordered restitution receipts and disbursements was maintained.
- D. The Prosecuting Attorney approved the purchase of a computer and printer without obtaining bids.

Recommendation:

The Prosecuting Attorney:

- A. Establish a system to account for all bad checks submitted to his office and their disposition.
- B.1. Issue receipt slips for all monies received.
 - 2. Deposit receipts daily or when accumulated receipts exceed \$100.
 - 3. Ensure that all monies received for bad check restitution are recorded in the bad check payment log.
- C. Establish a summary record of all court-ordered restitution transactions and reconcile periodically to the individual ledger cards.
- D. Solicit bids for purchases in accordance with state law.

Status:

A, B1,
&B2. Not implemented. See MAR No. 6.

B3
&D. Implemented.

C. Partially implemented. A record of court-ordered restitution transactions has been established but it is not formally reconciled to the individual ledger cards. See MAR No. 6 for related comments.

5. Sheriff's Accounting Controls and Procedures

- A. Receipts were not deposited daily or when accumulated receipts exceed \$100.
- B. Commissions related to collect telephone calls made by prisoners were maintained in a cash fund and used by the Sheriff for jail supplies and various other office expenses.
- C. Procedures for the collection of board of prisoners billings to other counties were inadequately segregated and the billing forms were not prenumbered.

- D. A deputy sheriff required by a grant agreement to perform traffic safety duties on a full-time basis sometimes performed other duties unrelated to traffic safety. Amounts reimbursed by the grant for hours worked in performing the unallowable services totaled \$438.

Recommendation:

The Sheriff:

- A. Deposit receipts intact daily or when receipts exceed \$100.
- B. Turn all telephone commissions earned over to the County Treasurer and discontinue expending money without authorization of the County Commission.
- C. Provide for an adequate segregation of duties for board of prisoner functions. Additionally, prenumbered billing forms should be issued and the numerical sequence accounted for.
- D. And the County Commission contact the federal grantor agency to resolve the questioned costs.

Status:

- A. Partially implemented. The frequency of deposits has improved. Bond monies are generally deposited the same day they are received. Gun permit monies and sheriff fees are deposited weekly. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Not implemented. The County Commission indicated they authorized the Sheriff to handle the telephone commission funds and the Sheriff usually provides them with a verbal report of how the funds have been used. Telephone commission receipts and disbursements totaled \$5,269 and \$5,208, respectively, for the two years ended December 31, 1998. By allowing the Sheriff to handle these monies in this manner, the County Commission is approving expenditures to be made outside the normal county review process and may not be adequately informed of these funds and plans for them during the budget preparation process. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Partially implemented. Procedures have now been segregated, but prenumbered billings are not utilized. Although not repeated in the current MAR, our recommendation remains as stated above.
- D. Implemented.

6. Public Administrator's Procedures

- A. Annual settlements were not always filed with the Probate Division on a timely basis.
- B. Written bank reconciliations were not performed for the estates.

Recommendation:

The Associate Circuit Judge require the Public Administrator:

- A. To file annual settlements on a timely basis as required by state law.
- B. Correct the noted error in the checkbook balance and perform monthly bank reconciliations.

Status:

- A. Not implemented. See MAR No. 5.
- B. Partially implemented. The noted error in the checkbook balance was corrected. However, bank reconciliations are not always properly prepared and documented. See MAR No. 5.

STATISTICAL SECTION

History, Organization, and
Statistical Information

GRUNDY COUNTY, MISSOURI HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Organized in 1841, the county of Grundy was named after Felix Grundy, a U. S. Senator from Tennessee. Grundy County is a township-organized, third-class county and is part of the Third Judicial Circuit. The county seat is Trenton.

Grundy County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Grundy County received its money in 1998 and 1997 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 113,631	7	101,975	6
Sales taxes	366,390	23	390,639	23
Federal and state aid	776,067	50	848,576	50
Fees, interest, and other	308,823	20	360,296	21
Total	\$ 1,564,911	100	1,701,486	100

The following chart shows how Grundy County spent monies in 1998 and 1997 from the General Revenue and Special Road and Bridge Funds:

USE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 474,991	32	429,134	27
Public safety	424,494	28	398,747	25
Highways and roads	596,281	40	778,872	48
Total	\$ 1,495,766	100	1,606,753	100

The county maintains approximately 198 county bridges and 515 miles of county roads.

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The county's population was 11,819 in 1970 and 10,536 in 1990. The following chart shows the county's change in assessed valuation since 1970:

		Year Ended December 31,				
		1998	1997	1985*	1980**	1970**
		(in millions)				
Real estate	\$	46.8	47.1	40.9	24.6	17.1
Personal property		20.4	19.3	10.8	9.1	6.5
Railroad and utilities		10.1	10.3	5.7	6.4	4.7
Total	\$	77.3	76.7	57.4	40.1	28.3

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Grundy County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,	
		1998	1997
General Revenue Fund	\$.11	.10
Health Center Fund		.15	.14
Developmentally Disabled Fund		.10	.10

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county and townships bill and collect property taxes for themselves and most other local governments. Taxes collected were distributed as follows:

		Year Ended February 28,	
		1999	1998
State of Missouri	\$	23,167	23,377
General Revenue Fund		83,158	76,438
Special Road and Bridge Fund		38,724	33,756
Townships Road and Bridge		128,010	140,075
Assessment Fund		46,474	45,533
Health Center Fund		113,329	107,605
Developmentally Disabled Fund		74,873	75,425
School districts		2,410,935	2,432,287
North Central Missouri College		210,698	209,080
Library district		113,931	114,883
Nursing Home		116,104	110,255
Fire Districts		99,478	100,764
Townships		268,766	254,584
Township Road Bond		7,821	8,596
Special Road District		8,087	7,430
Cities		450,850	403,922
County Clerk		695	747
County Employees' Retirement		15,111	14,842
Commissions and fees:			
Township Collectors		38,755	38,970
General Revenue Fund		40,129	41,115
Total	\$	4,289,095	4,239,684

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Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	1999	1998
Real estate	93.7 %	92.5 %
Personal property	86.1	89.3
Railroad and utilities	100.0	100.0

Grundy County also has the following sales taxes; rates are per \$1 of retail sales:

		Rate	Expiration Date	Required Property Tax Reduction
General	\$.0050	None	50
Ambulance		.0050	None	None

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	1999	1998	1997
County-Paid Officials:			
K. Dwaine Meservey, Presiding Commissioner	\$	14,280	13,872
Paul Jackson, Associate Commissioner		14,280	13,872
H. L. (Bud) Cox, Associate Commissioner		14,280	13,872
L. D. Gibson, County Clerk		27,260	26,337
Steven D. Hudson, Prosecuting Attorney		30,236	29,348
Gregory A. Coon, Sheriff		35,000	34,000
Thomas R. Eads, County Coroner		6,000	6,000
Gilbert J. Trump, Public Administrator *		18,497	21,182
Helen Frisbie, Treasurer and Ex Officio County Collector, year ended March 31,	26,512	26,512	
Joseph F. Ferris, County Assessor, year ended August 31, **		34,900	27,659

* Includes fees received from probate cases.

** Includes \$900 annual compensation received from the state.

State-Paid Officials:

Beatrice Shaw, Circuit Clerk and Ex Officio Recorder of Deeds	42,138	40,176
Thomas O. Pickett, Associate Circuit Judge	85,158	81,792

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A breakdown of employees (excluding the elected officials) by office at December 31, 1998, is as follows:

Office	Number of Employees Paid by	
	County	State
Circuit Clerk and Ex Officio Recorder of Deeds	1	2
County Clerk	2	0

Prosecuting Attorney (1)	3	0
Sheriff	8	0
Treasurer and Ex Officio County Collector	1	0
County Assessor	4	0
Associate and Probate Division	0	3
Road and Bridge	5	0
Health Center (2)	11	0
Ambulance Service (3)	16	0
Families and Friends of the Developmentally Disabled Board	1	0
Buildings and Grounds	1	0
Total	<u>53</u>	<u>5</u>

(1) Includes two part time employees

(2) Includes four part time employees

(3) Includes eight part time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Grundy County's share of the Third Judicial Circuit's expenses is 37.89 percent.